

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
September 25, 2003
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Betty Jean Awrey, Vice Chairman
 Lowell Jackson, Commissioner
 John Garside, Commissioner
 C. Robert Baillod, Commissioner

Also Present: Pat Lockwood, Commission Advisor
 Jerry Jones, Commission Auditor
 Pat Isom, Assistant Attorney General
 Gloria J. Jeff, Director
 Leon Hank, Chief Administrative Officer
 Larry Tibbits, Chief Operations Officer
 Rob Abent, Bureau of Multi-Model Transportation
 Myron Frierson, Bureau of Finance and Administration
 Susan Mortel, Bureau of Transportation Planning
 John Friend, Bureau of Highway Delivery
 Terry Anderson, Bureau of Highway Development
 Ron DeCook, Director of Governmental Affairs
 Ben Kohrman, Director of Communications
 Kirk Steudle, Chief Deputy Director

Excused: Robert Bender, Commissioner

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Aeronautics Auditorium, Lansing, Michigan.

I. COMMISSION BUSINESS

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation meeting of August 28, 2003.

Moved by Commissioner Awrey, with support from Commissioner Baillod, to approve the minutes of the Commission meeting of August 28, 2003. **MOTION CARRIED.**

The Chair called on Director Jeff for the Director's Report.

II. **DIRECTOR'S REPORT - DIRECTOR GLORIA J. JEFF**

The Director asked the Commission to act on an audit with respect to Commission Policy on the programs and functions of the Multi Modal Transportation Services Bureau. The resolution asks the Commission to indicate that the programs and functions are consistent with either Federal, State requirements or Commission Policy. Recognizing that there are a number of programs currently in place, allow them within 60 days of the initiation of any new program, to provide an amendment to the Commission on these new programs. Director Jeff assured that they will meet the requirement of providing an Annual Management Plan on the Multi Modal Transportation Services Bureau consistent with the language in the boiler plate for the fiscal year 2004 budget. In addition, this report will include an analysis of the programs and functions to show their consistency with STC policies.

Director Jeff stated that another portion of her report would be presented during the FY 2004 Program Presentation portion of the meeting.

The Director asked for questions. None were forthcoming. Director Jeff then asked for a motion to adopt the proposed resolution.

The motion was moved by Commissioner Jackson, supported by Commissioner Baillod, and carried on a unanimous roll call vote to adopt the proposed resolution.

III. **OVERSIGHT**

Commission/State Administrative Board Contracts and Agreements (Exhibit A) - Myron Frierson

Mr. Frierson asked the Commission to approve Exhibit A.

A motion was made by Commissioner Awrey to accept Exhibit A. Motion supported by Commissioner Jackson and carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) - Myron Frierson

Mr. Frierson recapped on the activities of the 1st year of letting. He stated that by September 5th they had 35 state projects which brings the total for the year up to 502 for 2003, which also brings the dollar amount up to over \$765 million let. The projected estimate for 2003 was \$700 million. The total program, including state, local, aeronautics, UPTRAN, and other Multi Modal type projects had 928 projects that exceeded \$1.1 million; 12% greater than 2002, and 2% greater in terms of dollars. The electronic bidding process, Bid Express, continues to have broad support of the industry where 79% of the bids were submitted using this system for the September letting.

Exhibit A-1 indicates the activity for the October letting. Mr. Frierson asked for comments and approval.

Commissioner Awrey had questions regarding the bids stamped "withdrawn" and the reason for their withdrawal. Mr. Frierson indicated that the companies asked to withdraw because they were not ready to bid at this time.

A motion was made by Commissioner Awrey to accept Exhibit A-1. Motion supported by Commissioner Baillod and carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) - John Friend

Item 1: Project on M-84 in Bay and Saginaw Counties. Bid was 15% over. Mr. Friend feels it was due to lack of materials that were on sight, trucking costs, lack of bid history, etc.

Commissioner Jackson and Commissioner Awrey expressed some concerns relating to bid comparisons. Director Jeff indicated on behalf of Mr. Friend that an explanation would be forthcoming.

Item 2 & 3: Mr. Friend spoke briefly about having the Sherman Black Creek in Muskegon County, and Sherman Boulevard in Muskegon County projects rejected.

The Commission decided to pass on Item 1 above until further explanation is submitted. It was motioned and supported to approve rejection of Items 2 and 3. The motion carried on a unanimous voice vote. Director Jeff reiterated that they would bring Item 1 back with additional explanation during the October meeting.

Information Items (Exhibit A-3) - Myron Frierson

No action was requested. Mr. Frierson pointed out a low bid rejection.

Contract Adjustments (Exhibit B) - John Polasek

Asked the Commission for approval of 6 MDOT contract adjustments:

- 1) Item # 2003-49: a micro service job in university region which was let early in the fiscal year. There was a \$358,000 addition to the contract.
- 2) Item #2003-50: an asphalt project with low skid resistance, wants to make corrections to the type of stone being used.
- 3) Item #2003-54: I-94 access road in city of Dearborn. Subsurface conditions were different than what the design showed. Total project is less than 10% over the bid price given the conditions that they encountered.

- 4) Item #2003-55: Intersection upgrade project in Traverse City. Cooperative effort between Road Commission and MDOT. Approach light needed at intersection. After letting, County Road Commission determined that elevation of the roadway has to be different than the existing road. Fair amount of corrections needed to our existing proposed work in order to match what they were proposing to do. Involves an extra amount of cost.
- 5) Item #2003-58: City of Dearborn project where contractor and MDOT want to make changes to proposed cross sectional design involving amount of sand and type of stone used underneath the pavement surface.
- 6) Item #2003-10-4: Gratiot County project let at approximately \$270,000. During design phase TFC made a math error in computing amount of hot mix asphalt that would be required. To complete the project, about an extra 325 tons of hot mix asphalt is needed.

A great deal of these issues are due to the early out of people that were involved in the projects during the design process.

Mr. Polasek and Chairman Wahby asked for comments.

Motion was made by Commissioner Baillod and supported by Commissioner Awrey to approve the contract adjustments. Commissioner Baillod had questions regarding Item 55 above.

The motion carried on a unanimous voice vote.

Six Month Financial Audit Follow-up (Exhibit C) - Jerry Jones

Mr. Jones reported that there are 32 audits still outstanding for over 120 days since issuance; this is a 50% reduction since the March report.

Six Month Internal Audit Follow-up (Exhibit D) - Jerry Jones

Mr. Jones reported that they have closed 1 other audit and 3 additional recommendations have been closed. Leaves just 4 reports outstanding.

Oversight of the Local Agency Advertisement and Award of State and/or Federally Funded Construction Contracts (Exhibit E) - Jerry Jones

Mr. Jones reported that overall the department operated in substantial compliance with the policy, procedures, rules, regulations and the laws that may affect that program. It is believed that the recommendations in the report will strengthen the departments' internal control system in regard to this process.

Mr. Jones entertained questions or comments.

Commissioner Awrey stated that she had reviewed and discussed Exhibits C, D and E with the Commission Auditor. Briefly:

She urges the department to continue to carry through and complete the process regarding Exhibit C.

She is concerned, regarding Exhibit D, about the outstanding recommendations on the aircraft rates and vehicle travel laws. She would like the Chief Administrative Officer to continue discussing these issues with the Commission Auditor and provide him with the departments' plans to address them as they have developed.

Regarding Exhibit E, she is pleased that the department concurs with the recommendations and has or intends to implement them. Compliments to Administrator Jackie Shinn and staff of Economic Development and Enhancement for actions that they took to implement the audit recommendations before they saw them in the report.

Commissioner Awrey moved to accept the reports in Exhibits C, D and E.

Chairman Wahby asked for support. Support was given by Commissioner Jackson. Motion carried on a unanimous voice vote.

Director Jeff indicated she was pleased with Commissioner Awrey's positive response to the audit reports. She further commented that they would address the concerns relating to the air rates in Exhibit D before the calendar year end.

IV. **PRESENTATIONS**

FY 2004 Program Presentation - Denise Jackson

Ms. Jackson thanked all that were instrumental in delivering their 2003 program. PowerPoint presentation recapped 2003: 95% of the preservation projects presented in September 2002 have been let to contract. As far as mileage, 550 miles of roadway were rehabilitated; this is an increase over the 334 miles in 2002. Under the Capitol Preventive Maintenance program 1,500 miles of roadway were improved. MDOT let 8 capacity improvement and 5 new roads projects to contract—24 miles total. This is 100% of announcement and actual delivery.

Ms. Jackson indicated that 2004 will continue the course that the Director, Governor and MDOT's 5-year program have set. It will continue to focus on pavement and bridge goals, short, immediate and long range fixes, as well as on the heavily traveled routes. Preservation will continue to be the highest priority. They will continue with the Preserve First Initiative, increase the Safety Program, increase the Enhancement Program, and implement the Noise Policy.

Ms. Jackson briefly discussed the Reputable Assumptions that the 2004 program is built upon, and the investments they will be making in 2004.

Preserved Rehabilitation and Reconstruction projects for 2004 include:

- I94 reconstruction and bridge replacement in Taylor and Allen Park near Detroit Metro (corridor project)
- M5/Grand River Ave. on NW side of Detroit
- I75 South will be resurfaced and bridges rehabilitated
- US23 rehab and resurface of a 4 mile section in Alpena, 6 mile section in Alcona
- US131 6 mile section resurfacing in Mancelona
- US10 7 mile section resurfacing in Clair County
- Capitol Loop
- M45 3 miles in Grand Rapids
- US31 in Ottawa County
- US2 in Iron Mountain

Ms. Jackson reported that 160 bridges will be rehabilitated in 2004; this does not include the Capitol Preventive work nor Capitol Maintenance work.

Chairman Wahby commended Ms. Jackson on her report and the information it contained. Asked if the Commission could be supplied with a copy of the full report.

Ms. Jackson then entertained comments and questions relating to certain areas of her report.

Director Jeff concluded her Director's Report as it pertains to the Multi Modal Transportation Service programs for FY 2004.

2004 Disadvantaged Business Enterprise Goal - Pat Collins

Ms. Collins recapped their accomplishments during 2003. They have focused on training/cross training, efficiency, internal controls of documents. They have established a computerized list-serve system for more efficient communication purposes.

Over the long-term, they intend to enable small businesses to be more competitive in order to help them contribute to Michigan's economy.

They will focus on being more cost-effective, i.e., computerized list-serve system. They plan to increase awareness of the DBE program via a newsletter to MDOT internal staff, private contractors and all who have an interest in their program.

Ms. Collins advised that they have a staff member dedicated to helping them fulfill MDOT's Title 6 Mandate ... "providing fair and equitable services to all citizens in Michigan".

Another long-term goal is fostering partnerships with organizations, Chambers of Commerce, Associations, and other State agencies.

Ms. Collins asked for approval of the proposed 11% DBE goals for FY 2004.

Motion was made by Commissioner Awrey and supported by Commissioner Garside to adopt the report. The motion carried on a unanimous voice vote.

2004 State Transportation Meeting Schedule - Pat Lockwood

Chairman Wahby asked that if any member knows of a meeting they will not be able to attend, please let Ms. Lockwood know.

It was moved by Commissioner Awrey, with support from Commissioner Jackson to approve the 2004 schedule as submitted. The motion carried on a unanimous voice vote. Meeting schedule is attached.

Asset Management Council Report - Pat Lockwood

Ms. Lockwood gave a brief report on the August TAMC meeting.

She asked for questions on comments on the information presented.

Commissioner Baillod stated that in the past he receive copies of the TAMC minutes via email, but had not received any lately.

Ms. Lockwood indicated that she would bring this to the attention of Rick Lilly who does the minutes for their meetings.

Ms. Lockwood further reported that TAMC has recently updated their website adding several new features including the minutes of all council meetings. In addition there is a map showing the status of the data collection process.

V. **PUBLIC COMMENTS**

Mike Nystrom, AUC

Asked for reconsideration on letting exceptions regarding Item B-2, a project that exceeded engineering estimates. The contractor on that job hopes to get the project finished by the end of next year. He asked the Commission to take another look and he would get them more information during the next week.

Commissioner Awrey asked if there would be a problem if he waited until next month to approve it.

Mr. Nystrom stated that the problem is that they are getting into the winter time. The contractor wanted to get started during the fall to get things started in order to be ahead of schedule come next spring.

Director Jeff stated that she would provide answers to Commissioner Awreys' questions by the following week.

Chairman Wahby wanted to know where this would leave the project in the interim.

Director Jeff advised that she is deferring to the Commission in regard to the scheduling issue. Other than that, she would ask for provisional approval.

A motion was made to grant provisional approval of the Item B-2 project subject to an appropriate response being given to the Commissioners. Motion was supported and carried on a unanimous voice vote.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 11:30 a.m.

The next meeting of the Michigan State Transportation Commission will be held in Traverse City, Michigan, on October 30, 2003, commencing at the hour of 9:00 a.m.

Commission Advisor
Patricia A. Lockwood